

MANAGEMENT INFORMATION SYSTEM/ DECISION SUPPORT SYSTEM

Planning Advance Planning Document

November 18, 2004

State of California
Department of Health Services

Payment Systems Division

Office of Medi-Cal Payment Systems

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1. OVERVIEW

In June 1996, the Department initiated the Medi-Cal Management Information System/Decision Support System (MIS/DSS) Project to procure and oversee the development of a Management Information System/Decision Support System data warehouse. The contract was awarded on April 17, 1997 after a large competitive procurement. The Department also contracted with an Independent Verification and Validation contractor (IV&V) on April 7, 1997.

The purpose of the MIS/DSS Project was to establish a comprehensive information system to support the day-to-day program and contract management needs of the Medi-Cal program, and to significantly enhance the availability of Medi-Cal information for staff who monitor and oversee Medi-Cal services.

Payment Systems Division's (PSD) Office of Medi-Cal Payment Systems (OMPS) within the California Department of Health Services (CDHS; DHS) oversees the MIS/DSS Project Office.

The MIS/DSS Project Office has responsibility for planning and executing the MIS/DSS procurement project. The procurement process is divided into planning and implementation phases. The planning phase includes updating the project's business requirements, create a Request for Proposal (RFP), evaluate bidder proposals, and negotiate and award a contract to the winning bidder. In the implementation phase, the project office oversees the contract to transfer, enhance, expand, maintain and operate the MIS/DSS, and monitor contractor activities to ensure conformance to contractual requirements.

This Planning Advanced Planning Document (PAPD) defines the project approach, requests approval and enhanced federal funding for the planning phase that commenced in December 2003 and will conclude with the contract award. The implementation phase will start once the new contract is executed and will allow for approximately six (6) months of overlap with the current contract to facilitate transfer activities and allow the new contractor to replace the proprietary components of the current system. Within this time period, the new contractor must install and operate the new system for testing in parallel with the existing system, prior to implementation of approved enhancements. After this time period, the contractor will initiate approved enhancements/upgrades. In addition, the contractor is required to keep the production system updated and available to users, and to perform required maintenance and operations function during enhancement.

This PAPD contains estimated costs for the planning phase of the procurement project and, for planning purposes, a rough cost estimate for the implementation phase. The implementation estimates are based on our cost experience with the current MIS/DSS and estimates of anticipated enhancements to the system. However, the formal cost estimate of the implementation phase based on detailed, project specific equations, will not be available until after the selection of a winning bidder in the fall of 2005, at which time the MIS/DSS Project Office will prepare an Implementation Advanced Planning Document (IAPD).

The acquisition of the new system will be handled through a Department of General Services (DGS) procurement. DHS is the sponsoring organization and will work in conjunction with DGS. A certified Project Management Professional (PMP) has been assigned as Project Manager, to manage and oversee this project. A preliminary Project Plan (see **Exhibit B**) has been developed and initiated. An Executive Steering Committee has been established to provide guidance and ensure that milestones are met. The Steering Committee is composed of four Deputy Director- level participants: Medical Care Services (MCS), Audits & Investigations (A&I), Information Technology Services Division (ITSD), and Administration Division, and other Stakeholders. Executive Steering Committee meetings were held on September 30, 2004, November 4, 2004 and are scheduled monthly through-out the procurement process.

The Project Team is a multi-disciplinary work group, integrating staff and skills from relevant offices within the DHS, to carryout the Work Plan. Initial contacts have been established with the critical review organizations to obtain input related to compliance with State and Federal guidelines for the Procurement. The team is assisted by Departmental legal counsel, and other consultants for subject-matter expertise, as needed. In addition, because of the criticality of the MIS/DSS, and the aggressive timeframe in which to complete this procurement, the Department expects to contract for Acquisition Consultant Services (ACS) to ensure the timely and efficient development of the RFP and contract award. In addition, an Independent Project Oversight Consultant (IPOC) will provide quality assurance and oversight of planning and project management during the planning phase. In the implementation phase, an Independent Verification and Validation (IV&V) Contractor will provide oversight and ensure compliance to requirements.

2. BACKGROUND

Welfare and Institutions Code, section 14459.7 requires the Department to implement a MIS/DSS. This mandate was primarily the result of the need to establish a source and means for analyzing program data to guide monitoring and decision-making in the Medi-Cal Program, especially with the advent of the Managed Care component. After an extensive competitive procurement, on April 17, 1997, a contract was awarded to The Medstat Group, Inc (Medstat) to design, build, maintain and operate a Medi-Cal MIS/DSS data warehouse. The original contract term was for four years, with an option to extend the contract for an additional three years. The contract was amended and extended for three years in 2001, and again in April 2004 for an additional two years.

Currently, the MIS/DSS relational database includes over 2.5 billion records, making the system one of the largest and most useful of its kind. Data in the warehouse covers services provided to Medi-Cal beneficiaries in all 58 counties. The Department's MIS/DSS includes a database that integrates encounter records and fee-for-service claims to provide comprehensive information about access and utilization of services for program eligibles. The data warehouse consists of Medi-Cal eligibility, provider, service and financial data. The MIS/DSS is the only repository in the DHS that integrates both fee-for-service (FFS) and managed care data in one database. This system enables departmental staff to perform drill-down data analysis, and to generate pre-formatted, standardized, and/or ad-hoc reports. In addition, users are able to perform the program

analyses required to meet statutory and regulatory mandates to monitor Managed Care Contracts and Health Plan Performance.

The system affords users the ability to study the Medi-Cal data from many perspectives, which provides the groundwork for realizing program objectives. Audits and Investigations, and other program areas, have used the system successfully to control costs and monitor the provision of services.

In addition to maintenance and operation of the database, ongoing MIS/DSS contractual responsibility includes user training, analytic consulting, Help Desk, coordination and improvement of data collection; and troubleshooting data feed problems /issues.

3. STATEMENT OF NEED

The Department has successfully used the MIS/DSS as a tool to monitor program activities, identify fraud, and to realize program savings. Using processing techniques and code that is proprietary to our current contractor, each month, approximately 50 million new records are added to the MIS/DSS, while approximately 50 million of the oldest records are moved to archive status but remain available for analysis. These records contain over 250 data fields/elements regarding Medi-Cal beneficiaries, providers, and services in all 58 counties. Using the MIS/DSS' proprietary and Commercial Off The Shelf (COTS) software, MIS/DSS users mines this information for access and utilization analysis to identify fraud and abuse, and other activities/ areas where program savings could be generated. Since FY 2002/2003, the MIS/DSS has been an integral part of the Department's efforts to identify savings from program fraud, and has been used to achieve departmental savings each year.

3.1. LEGISLATIVE MANDATE

- Chapter 294, Section 78, of the Budget Trailer Bill, Senate Bill 391 enacted in 1997 to add Section 14459.7 to the California Welfare and Institutions Code

3.1.1. Welfare and Institutions Code Section 14459.7

In July 1997, the legislature enacted Chapter 294, Section 78, of the Budget Trailer Bill, Senate Bill 391, that required the Department to implement a Management Information System/Decision Support System for the Medi-Cal Program. The Department was directed to create a system that integrated data from managed care plans, to monitor and evaluate access issues and the quality of care provided, to establish provider rates and to analyze ways to improve both managed care and fee-for-service systems. The goal of the legislation is to improve service delivery and provide a means for better coordination of information. The MIS/DSS system was designed to meet these goals and to provide data to support management and analysis of the Department's Medi-Cal program in ways that enable monitoring access, provision of preventive services, and utilization of health services among and between commercial and county sponsored health plans and the FFS program, in each county.

3.2. BUSINESS CASE

As the Department initiated procurement activities in early 2003, the Department of Finance (DOF) required that DHS contract for an Independent Assessment (IA) of the MIS/DSS to ensure that the continued investment in the system is warranted. The assessment was conducted from June through August 2004. The IA Contractors reviewed the MIS/DSS system, including hardware and software components, original goals, current business needs, the organizational structure and environment, user expectations and satisfaction, and return on investment (ROI). Excerpts and conclusions from the final report are presented in this section.

The IA Assessment Objectives were as follows:

1. Characterize Original vs. Current Expectations;

Business objectives, needs, critical requirements

2. Characterize Degree of Change;

In objectives, needs, requirements

3. Characterize Current Use;

How well the MIS/DSS meets original and new objectives, needs, and requirements

4. Characterize Barriers to System Use;

Technical, business, organizational

5. Characterize Use of “Other Systems”

**6. To Meet Data Warehousing and/or Decision Support Business Needs
Characterize Cost Effectiveness of MIS/DSS**

Use existing study information

7. Describe Required System Modifications

To bridge gaps to current expectations

During the Department’s Independent Assessment (IA) of the MIS/DSS, the IA Team found that the MIS/DSS supports significant business functions for the Department. The data warehouse and decision support system, by design, are used in unpredictable ways to analyze data and, based on that analysis, determine the most effective actions for Medi-Cal program change and improvements. MIS/DSS information is used for a variety of internal and external purposes, including:

- Managed Care Plan Quality & Quality Improvement
- Managed Care Plan Access
- Managed Care Policy Development
- Budgeting & Costing
- Internal Reporting (Mgmt, Program)
- External Reporting (CMS, Legislature)
- Fraud Research and Investigation

The IA identified the following ROI for the current system in order to help value the system from a financial investment perspective. The findings are categorized in the following areas:

- ❖ Benefits of MIS/DSS – Identification of financial benefits derived from the system, both approved, and proposed
- ❖ Cost Basis and ROI View of MIS/DSS – identification of project costs and operations and maintenance costs and ROI based on “approved” identified benefits and actual costs

3.3. BENEFITS OF MIS/DSS

The IA found that at various points in the operational life of the MIS/DSS, analyses have been performed using the MIS/DSS that have generated financial benefits to DHS. There has been increased focus on these activities within the past two years, with significant effort applied to identify potential program integrity issues. The analyses can be categorized into those with proven benefits and those with projected benefits.

The table below describes proven financial benefits that have been approved by DHS and are directly tied to analysis performed in the MIS/DSS. The table below also identifies the name of each analytic project that has been designated as having approved benefits.

Table 4: Approved MIS/DSS Analytic Benefits

Fiscal Year	Analytic Project	1st Year Benefit*
2002-2003	Fraud Network Disruption	\$18 M
2002-2003	Lab Fraud Crackdown	\$46 M
2002-2003	Suspect Provider Re-enrollment	\$35 M
2003-2004	Suspect Provider Re-enrollment Oversight	\$36 M
2003-2004	BIC Replacement Process	\$5 M
2003-2004	Referrals for Procedure Code Limitations	\$16 M
	<i>Total</i>	\$156M

The table below describes estimated financial benefits from projects which were conducted using the MIS/DSS, completed or in process, which have not yet been designated approved benefits by DHS. The specific Fiscal Year is not clearly assigned to these completed and in-process projects. These projected benefits are described to illustrate that additional benefits are likely to be realized in the near future. Other analytic study ideas are also catalogued by the MIS/DSS Project Office but are not listed here. Such an analytic agenda indicates that DHS should realize financial return on investment that exceeds the proven returns to date of \$156M.

Table 5: Projected MIS/DSS Analytic Benefits

Fiscal Year	Analytic Project	Benefit*
TBD	Program Integrity Support	~\$76 M
TBD	Managed Care Pharmacy Rebate	~\$60 M
TBD	Pregnancy Medical Exemptions	~\$17.5 M
TBD	2 Plan Capitation Rate Reduction	~\$100 M
TBD	LA County Eligibility Reconciliation	~\$76 M
	<i>Total</i>	~\$329.5M

*Fraud efforts have major deterrent components. Benefits in Tables 4& 5, reflect only the first year's savings, yet most of these savings continue year after year as long as the program is in operation.

3.3.1. Cost Basis & ROI View of MIS/DSS

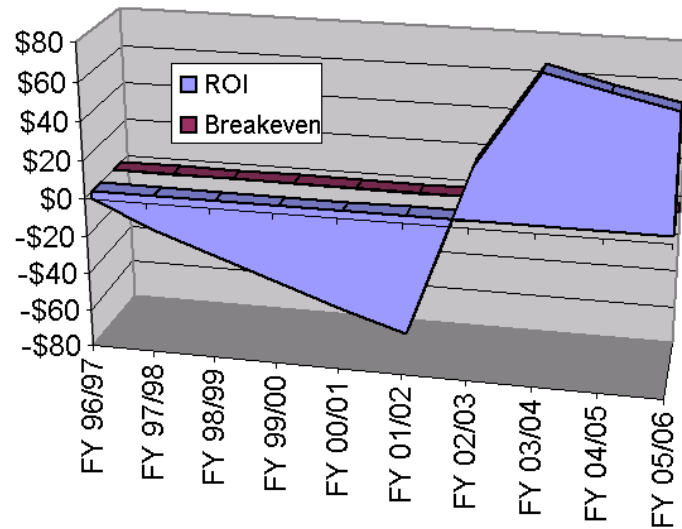
The IA report shows the return on investment, calculated by subtracting the cost basis from the benefits. In this view, only the first year's savings for approved benefits are included. An alternative view could be constructed that incorporates the projected benefits. This view provides the financial investment perspective that is valuable in understanding the overall benefit of this system to the organization. The following table shows the ROI by fiscal year.

Table 6: Projected MIS/DSS Analytic Benefits

Fiscal Year	Cost Basis	Approved Benefits	ROI
1996/97	\$3,607,852	0	\$(3,607,852)
1997/98	\$14,476,983	0	\$(18,084,835)
1998/99	\$11,754,647	0	\$(29,839,482)
1999/2000	\$11,058,312	0	\$(40,879,794)
2000/01	\$10,796,647	0	\$(51,694,441)
2001/02	\$9,537,279	0	\$(61,231,720)
2002/03	\$9,170,527	\$99,000,000	\$28,597,753
2003/04	\$8,522,245	\$57,000,000	\$77,075,508
2004/05	\$7,924,456	0	\$69,151,052
2005/06	\$6,776,666	0	\$62,374,386

As the table above shows, six years of increasing negative ROI are fully amortized in FY 2002/03. The positive ROI in FY 2002/03 is further bolstered in FY 2003/04. This shows that approved benefits have paid for the development and operation and maintenance costs to date and for the next few years with none of the projected benefits included. The figure below presents this same information graphically.

Figure 13:
MIS/DSS ROI
(in \$M)



3.3.2. ROI Summary

The IA report concludes that, like many other projects of this type, the MIS/DSS Project had its share of common issues, risks, and obstacles. By far, the most troublesome aspect of this project has been concern about the completeness and cleanliness of the data coming from the various suppliers of data. Nonetheless, strong DHS project management and commitment by the integration vendor proved to be a formula for successful delivery of the system. The MIS/DSS System was the first of its kind within DHS. While the development cost rose significantly from the original projections, they settled out following the competitive procurement process. Once the contract was awarded to MEDSTAT, there was only one additional SPR submitted to Finance for consideration. SPR 3 requested and received approval for an addition 6.5% increase in project spending authority.

The requirements specified in the original FSR were materially met by the implementation of a suite of commercial off-the-shelf software applications along with general-purpose computers. Based on the IA Team's analysis, the current MIS/DSS fully meets seventy-six (76) of the original eighty-three (83) objectives. The remaining objectives pertain to five categories of data (patient satisfaction records, appointment wait time, medical audits, financial audits, and Health

Care Options records) that the department either does not collect, or has established other means for tracking/analyzing the particular category. Specifically, the unmet requirements with explanation are as follows:

1. Patient Satisfaction-The Department is required by federal regulation to measure health plans quality through an external quality review organization (EQRO). The EQRO vendor performs the Consumer Assessment of Health Plan Survey (CAHPS®) and provides reporting and analytical support. As such, the Department does not look to the MIS/DSS to satisfy this information need.
2. Timeliness of Appointments-This measure is included in the EQRO vendor reporting.
 - 2.b. 150,000 Patient Satisfaction Surveys-5 Percent of Enrollees-The Department does not collect this data. Consumer Assessments are provided through the EQRO vendor.
3. Financial Audit Data-The system does not contain financial audit data. There are fewer than expected financial audits of the plans so comparisons within plans or between plans over time are not practical. The system does contain the Medi-Cal Plan Benchmark Report available through the Briefing Book application. Additionally, the Department's Audits and Investigations has developed separate systems to track medical/financial audits.
 - 3.a. 480 Quarterly Audit Records, 60 Plans Times (*) eight Quarters- As described above the system does not contain financial audit data.
4. Medical Audit Data-The MIS/DSS does not specifically contain medical audit data. The need for this kind of information was not mentioned during the business interviews or survey information gathering steps of the Independent Assessment. The system does, however contain claims data that includes diagnosis and procedure code information.
5. Health Care Options Data-While decisions from the health care options processing e.g. health plan enrollment, enrollment status, etc. are included in the MIS/DSS, DHS/PSD has developed a separate system to monitor the HCO contract. In addition to the confirmation of the requirements being met by the MIS/DSS, the IA Team's analysis highlighted the benefits attributed to the MIS/DSS System. The IA Team corroborated the claims that MIS/DSS generated over \$156 million in savings and is being used to target an additional \$200 million in potential savings. This is quite an accomplishment given that the project was envisioned in 1994 and there were no real attempts to quantify any measurable return at that time, just as there are no projections at this time, about what new things the data warehouse and decision support system will be able to uncover in the future.

The IA team found that users consider the most valuable asset of the MIS/DSS to be its consolidation of data from many disparate Medi-Cal operational systems. While each Medi-Cal system, such as MEDS, has a unique purpose in program operations, the value of the data for

analytical reporting is exponentially greater when integrated with data from various other systems and sources.

In interviews with Department users, the IA team found that users expressed that the greatest value of the MIS/DSS is the combination of FFS and encounter data, thereby bridging barriers imposed by organizational structure or autonomous “stove-pipe” systems. Respondents to the IA End User Business Survey confirmed the diverse work activities and analytic needs, which reinforce the need for the Department’s data warehouse to perform such analytic analysis. The MIS/DSS is supporting numerous business areas for analytic and reporting needs.

Some analytic work performed using the MIS/DSS is routine, such as determining the number of FFS beneficiaries compared to Managed Care beneficiaries by County, or reporting utilization and cost data for quick budgetary purposes. However, more intense health care analytic work is also being performed to track and understand key trends, and the impact of policy decisions, such as asthma and diabetes related disease management efforts for managed care and fee for service beneficiaries.

Through the independent assessment process, DHS divisions shared numerous reports generated from the MIS/DSS, including the Medical Directors Report, Federal Waiver Reports, Program Integrity and Fraud and Abuse Analyses, Eligibility Analyses, Pharmacy Cost Containment Analyses, Provider Network Analyses, Medi-Cal Reform Model Maps, Third Party Liability Personal Injury Recovery Screening Reports, and many others.

3.4 BUSINESS PROBLEM OR OPPORTUNITY

The Independent Assessment was an integral component of the MIS/DSS procurement effort. The findings from this assessment included the following components, which are critical to strategic and functional planning for this procurement:

- Business Needs Identification
- Functional Needs Identification
- Technical Needs Identification
- Cost Benefit Analysis (ROI)
- Industry Best Practices

While the Independent Assessment showed that the existing system substantially meets the original goals of the project, and has shown a significant return on investment (ROI), there are additional business functions that could benefit from improvements and enhancements in the technology, functionality and organizational environment of the MIS/DSS. As a result, the procurement goals are to improve the existing service level provided to users today, meet new business needs that have arisen since the original system was designed, and provide flexibility

to meet future business needs. Medical Care Services (MCS) management has decided that the new MIS/DSS contract must also address the following business problems:

- 1) The MIS/DSS must have a competitive procurement to assure the best value to the state. The current MIS/DSS maintenance and operations contract with the Department is in its last extension period that expires on April 16, 2006. In an effort to assure the best value for the state, DHS must work in conjunction with DGS to plan and execute the procurement for the MIS/DSS transfer, enhancement, and continued maintenance and operation. To allow for the time necessary to conduct a competitive procurement, it was necessary to enter into an additional sole source contract extension with the current contractor, beginning April 17, 2004 through April 16, 2006.
- 2) The Current System (Hardware & Software are at the end of service life). Both software and hardware have projected service life expectancies based on emerging technologies, usage, corporate culture and customer demand. As of 2004, portions of the application suite software and portions of the hardware are at or near life expectancy.
- 3) The MIS/DSS should incorporate changes identified in the Independent Assessment and/or refinements of the changes as identified by stakeholders and MCS Management. The IA identified enhancements in the following areas:
 - Organizational Culture-It is important to commit the Department to be information centric and illustrate commitment to and sponsorship of the system.
 - Strategic Goals-Decide on the scope and objectives for the next generation MIS/DSS. Include a strategy that identifies broad categories of information needs across the various units of the organization. These needs should be matched to current and future systems.
 - Staffing Levels-Decide on appropriate staffing levels for support of the ongoing and future administration of the project office, including technical support for users.
 - Skills/Expertise of Staff-Development of Project Office staff with strong analytical knowledge and deep familiarity of the system to support the business needs of the user community.
 - Data Quality and Structure-Various needs including data ownership and conforming the data from varied sources to allow their integrated use for decision support throughout the Department.
 - Hardware/Software Upgrades- Current hardware and software are at the end of its useful life. Consideration should be given to configuration options that ensure state-of-the-art technology and State Data Center compatibility.

4. STATEMENT OF VISION

4.1. SCOPE OF MIS/DSS PROCUREMENT

The focus of this project is to competitively re-procure a contract to enhance, operate and maintain the MIS/DSS system for the Department, and to continue operations of the existing system while developing, testing and implementing enhancements. For the purposes of defining scope, the contractor's responsibilities are divided into five components as outlined below:

1.MIS/DSS Transfer

The contractor will be required to provide an orderly transfer of the existing system that is as seamless as possible to the MIS/DSS system users. The contractor will be required to take all actions needed to prepare for the operations period including the identification and rapid resolution of transfer problems.

2.Maintenance and Operation of the Existing MIS/DSS

The contractor will be required to update the existing production database on a monthly basis and the history database annually during the transfer period, until the enhanced system is tested and accepted for release. The Department's ITSD will continue to process, standardize and consolidate the data files from the approximately eighty(80) submitters. The resulting eight (8) data feeds will be provided to the contractor on a monthly basis so that the new records can be added to the database while records that are older than the thirty (30) month production window are rolled off and included in the next annual history database update. The contractor will be responsible for providing resources to troubleshoot data feed problems/issues.

The current system runs on a series of six (6) client servers and a dedicated mainframe with a ZOS operating system. All system hardware is housed at the State Consolidated Data Center. The State Consolidated Data Center is responsible for operating the system software, network connections, and data storage. Users access the MIS/DSS from their normal departmental desktop workstations. The contractor will be responsible for purchase and licensure of any upgrades or additions to current hardware and/or software.

3. Development and Design of Enhancements & Upgrades

In order to ensure continuity, and access for users, the contractor will transfer and operate the MIS/DSS to carry out the current functionality while enhancements and upgrades are designed, implemented and tested. In order to accomplish this, the new contractor will need to replace proprietary components and applications in the current system. The contractor will be required to provide a detailed design and schedule for each change or enhancement, including proposed installation schedule, required upgrades, test plan and user training, for DHS approval.

4. Implementation of System Enhancements and Upgrades

The contractor will be required to install, test and operate all system enhancements approved by DHS. Formal approval of the design, schedule of implementation testing and training will be required for each enhancement. It is the Department's intent that the contractor will minimize the possibilities of interruptions in the provision of service during the development, installation and upgrade phases.

5. Maintenance and Operation of the MIS/DSS

The contractor will be responsible for routine and ongoing maintenance and operation activities of system hardware and software in conformance with contractual requirements, and acceptable industry standards and best practices.

4.1.1. Core Business Requirements

The core business requirement is to transfer, enhance and upgrade the current MIS/DSS and support the following business functions:

- Maintain a comprehensive information system for the management and monitoring of contracted capitated health plans, and the fee-for-service (FFS) activities of the Medi-Cal program.
- Provide a current (within lags required for completeness), integrated, health care database that utilizes data from FFS claims, capitated health plan encounters, beneficiary eligibility, provider master files, and Medi-Cal claims data from other State Departments.
- Identify patterns of behavior across eligibles and providers to better understand access and utilization patterns, to develop and monitor quality improvement initiatives and to design effective cost containment measures.
- Apply normative data to measure cost, utilization, or quality of care findings against relevant norms.
- Provide data to support the rate setting activities of the Medi-Cal program.

- Provide data to enable staff to respond to legislative requests relating to the cost, use, access and quality of services provided to Medi-Cal beneficiaries.
- Enable staff to quickly retrieve and analyze information on-line, using state of the art technology, without the need for extensive computer programming

The goals of the MIS/DSS Procurement Project include:

Goal 1. The MIS/DSS Project Office will award and administer a contract to transfer, develop enhancements, upgrade, operate and maintain a MIS/DSS system that supports Department program and policy needs.

Goal 2. There is to be minimal disruption in MIS/DSS services provided to Department users during the transfer from the current contract to the new contract, or during the implementation of system enhancements.

The corresponding project objectives are:

- Maintain and upgrade the Department's data warehouse containing Medi-Cal eligibility, claim and provider records.
- Maintain and upgrade the on-line MIS application for summary data reporting.
- Maintain and upgrade the DSS component for specialized health care reporting and detail drill down.
- Maintain and upgrade the Geographic Information System (GIS) for access and utilization analysis.
- Maintain and upgrade the ability to perform episodic analyses for disease and provider profiling.
- Maintain and upgrade the ability to do Ad hoc queries and report writing for specialized analyses using various application and tools, as well as, directly against the database.
- Maintain support for the MIS/DSS data feed and data quality processes, including the editing, monitoring and continued improvement of encounter data quality.
- Take advantage of the next generation technology to allow more flexibility to meet the increasing demands of the system users.

The MIS/DSS Procurement business goals and objectives are measurable and include:

1. The MIS/DSS meets business, functional, technical, and operational requirements defined in the system requirements specification and contract as demonstrated by product evaluations and testing. The success criteria for the MIS/DSS include:
 - a. The MIS/DSS provides Department users with current and accurate Medi-Cal Program information to effectively and efficiently manage their program areas and take appropriate, accurate and timely management actions.
 - b. The MIS/DSS provides Department users with data which can be used to measure and monitor the quality of health care services provided to Medi-Cal recipients by contracting managed care plans.
 - c. The MIS/DSS provides Department users with data which can be used to measure and monitor access to health care services for Medi-Cal recipients in managed care plans.
 - d. The MIS/DSS provides Department users with data, which can be used to identify cost containment activities that could be used to control the costs of health care through a managed care approach.
 - e. The MIS/DSS provides Department users with data which can be used in evaluating the effectiveness of the Managed Care Program and to evaluate different modes of managed care delivery.
 - f. The MIS/DSS provides Department users with data which can be used to monitor regulatory and contractual compliance of contracting Managed Care plans.
 - g. The MIS/DSS provides the user community access to both encounter and FFS data.
 - h. The MIS/DSS provides Department users with data which can be used to improve program integrity through better monitoring and fraud detection.
 - i. The MIS/DSS from the provides Departmental users with data to meet special reporting requests, as well as federal, and state reporting requirements.
 - j. Demonstrated increase in use of the MIS/DSS by Departmental users. The Project Office will conduct annual surveys to measure usage of the application. Additionally, the contractor will provide monthly reports on system usage.
 - k. The MIS/DSS is scalable and has an open architectural design to support future enhancements that can help the DHS successfully meet future, as yet unspecified, goals.

4.1.2. Core Infrastructure Requirements

The MIS/DSS database hardware will be housed at the State Consolidated Data Center. The contractor is responsible for any upgrades or additions to the existing hardware and/or software.

4.1.3. Expanded Business Requirements

Expanded business requirements include enhancements of the MIS/DSS. Examples of the expanded requirements include but are not limited to:

- Access to Family PACT payment information
- Include claims and eligibility records for all Medi-Cal aid codes Retain more claim and eligibility history data
- Refresh Eligibility data more than four (4) months
- Improve the linking of Managed Care Providers
- Address denied claims
- Add Managed Care Exemptions /Health Care Options (HCO) data files,
- Improved capitation rate data
- Expand reference/metadata files, such as formulary file, SmartKey™ definition files
- Develop Home and Community Based Waiver Services (HCBS) enrollment indicators so that users can effectively manage the HCBS waivers
- Negotiate with other plans, which currently contract to provide capitated/Special Project Programs, to provide encounter level data to the Department.

4.1.4. Data Improvements

Users have requested and the Project Office is evaluating the following types of data improvements:

- Enterprise data nomenclature and structure
- A more user-friendly method to perform linkages of tables to get an entire claims picture
- Incorporate all Medi-Cal data types
- Monitor and follow-up to ensure completeness of data from Managed Care plans

- Monitor and follow-up to ensure the quality of data from Managed Care plans
- Fiscal Year and Calendar Year views of both production and historical data

4.2. MIS/DSS IMPLEMENTATION

The contractor will bid to transfer the existing MIS/DSS system and to enhance and upgrade the system. The contractor must select a methodology and schedule that minimizes the risk of disrupted service to the MIS/DSS users. The contractor will plan and execute the MIS/DSS transfer and implementation of enhancements and upgrades, to include business change management, site preparation, data conversion, testing, training and application rollout. The incumbent contractor will turnover the system and work with the new contractor for an orderly transfer through April 16, 2006.

4.3. MIS/DSS OPERATIONS

The contractor will bid to operate and maintain the MIS/DSS.

This procurement is intended to provide, at a minimum, the existing functionality of the MIS/DSS, including monthly data updates. The new contractor will be required to replace proprietary components and applications used in the current system. The Department will require an orderly transfer that provides the least disruption possible to the system users. The contractor will take all actions required to prepare for the operations of the MIS/DSS including the identification and rapid resolution of any transfer problems.

The contractor must also have sound processes for analysis, design, coding and testing (including regression testing), documentation, and training. The contractor must have a base level of staff with the skills and expertise to perform health care consulting and analysis, and to maintain system operations at an acceptable level.

4.4. MIS/DSS MAINTENANCE

The contractor will update the system in response to system defects, enhancements and program changes. The contractor will also upgrade and install software and equipment as needed to meet performance requirements. The contractor must have a base level of staff with the skills and expertise to perform maintenance, including system enhancements and upgrades, at an acceptable level. The State MIS/DSS Project office will authorize and prioritize all system changes.

The contractor will use systematic maintenance and change control processes such as the Institute of Electrical & Electronic Engineers (IEEE) 1219, Standard for Software Maintenance. The contractor will be required to have sound processes for problem identification, classification and prioritization.

4.5. BUSINESS GOALS AND OBJECTIVES

1. The new MIS/DSS transfer and upgrades result in minimal disruption in MIS/DSS services provided to users during the transfer from the current contract to the new contract and during the implementation of system enhancements.
2. The proposed MIS/DSS operations meet requirements defined in the contract and operations plan as demonstrated by product evaluations and operational metrics which report system response time, capacity, data integrity, backup/recovery times, and customer satisfaction.
3. The proposed MIS/DSS maintenance meets requirements defined in the contract and maintenance plan as demonstrated by product evaluations and maintenance metrics. These metrics must include system availability, reliability, quantity of change requests, quantity of changes implemented, time to implement changes, quantity/quality of testing, and quantity of defects.
4. The contractor must provide consultation and timely help desk support to all system users of the MIS/DSS as measured by average response and problem resolution times and the volume of customer complaints. Acceptable response times will be defined in the contract.
5. All phases of the project are completed within budget and on schedule.

4.6. PROJECT STAKEHOLDER ORGANIZATIONS

MIS/DSS project primary stakeholders are:

- a. Department of Health Services (DHS)
- b. California Consolidated Data Center (CCDC)
- c. Department of General Services (DGS)
- d. Department of Finance (DOF)
- e. California Health and Human Services Agency (HHSA)
- f. Centers for Medicare and Medicaid Services (CMS) - Formerly Health Care Financing Administration (HCFA)

The Department of Health Services (DHS) is the project sponsor and is responsible for the success of the MIS/DSS Project procurement, implementation, maintenance and operation. Medical Care Services, Payment Systems Division and the Office of Medi-Cal Payment Systems management are responsible for setting the strategic focus of the project, for providing administrative guidance and for approving the MIS/DSS project work plan, RFP, evaluation and selection criteria, and the subsequent contract. In addition, a majority of end-users of this system are DHS staff. The Department's ITSD provides Project Management Office, network/infrastructure and data feed processing support for the MIS/DSS.

California's Consolidated Data Center (CCDC) is responsible for coordinating the physical location, network and operating system for MIS/DSS system hardware and its data center operations.

Department of General Services (DGS) is responsible for the MIS/DSS procurement. DGS approves the Information Technology Procurement Plan (ITPP), RFP, Evaluation and Selection Report, and the contract prepared by the MIS/DSS Project Office. A DGS Acquisition Representative is assigned to work with the procurement team during the procurement process.

Department of Finance (DOF) is responsible for approving the annual State funding for the project and approves the Budget Change Proposals (BCPs) and reviews the Planning and Implementation Advanced Planning Documents (PAPD and IAPD) for the project.

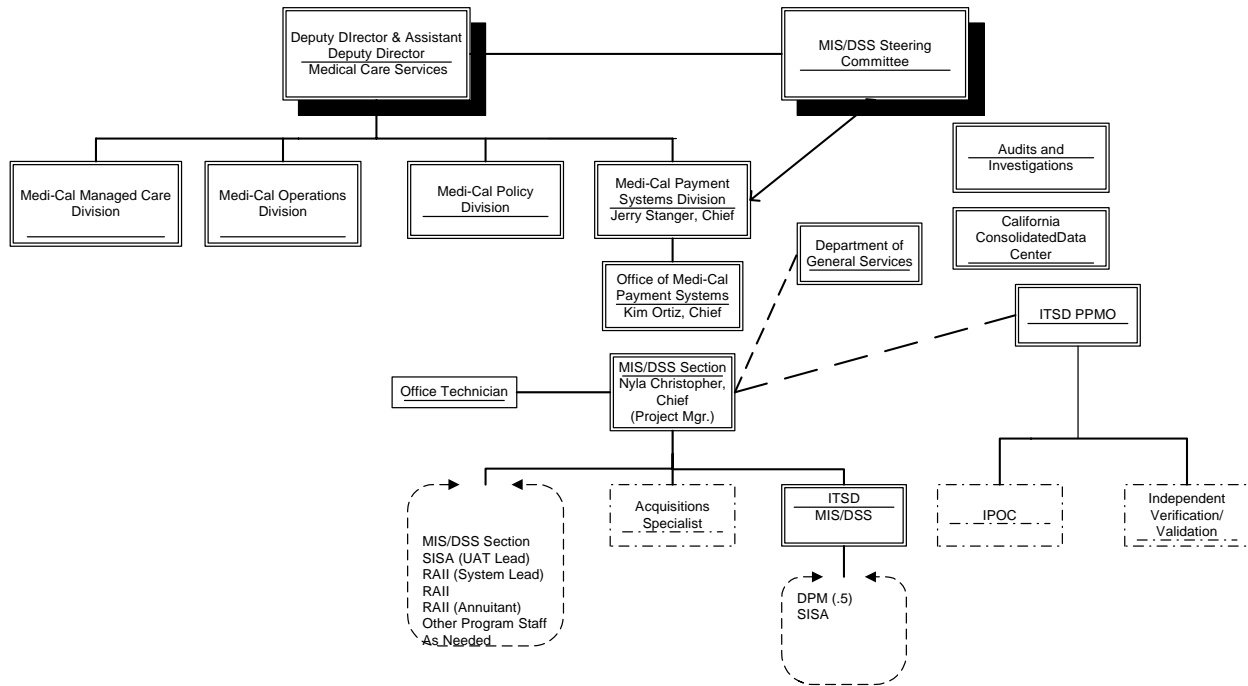
California Health and Human Services Agency (CHHSA) is responsible for California's health services programs.

Center for Medicare and Medicaid Services (CMS) is responsible for Title XIX funding and approves the PAPD, IAPD, RFP, and subsequent contract.

5. PROJECT MANAGEMENT PLAN

5.1. PLANNING PROJECT ORGANIZATION

The chart below illustrates the Project organization structure.



5.2. STATE ROLES AND RESPONSIBILITIES

The Department of General Services (DGS) is responsible for the procurement; this includes approval of the ITPP, RFP, the evaluation plan, and the contract. The DHS is the project sponsor and is responsible for the MIS/DSS program management and decisions. The MIS/DSS Section (Project Office) in Payment System Division's, Office of Medi-Cal Payment Systems (OMPS) is responsible for managing the project. The MIS/DSS Project Office will contract with an Acquisition Consultant Specialist (ACS) to assist with a timely, efficient, procurement process and to help define, verify and test business requirements.

5.2.1. Executive Management

Medical Care Services, Payment Systems Division and Office of Medi-Cal Payment Systems management provide administrative guidance and strategic focus for the project. PSD/OMPS Management will provide project support, including financial management, human resources, business services, document management, information technology (LAN), and office support.

PSD/OMPS management also coordinates the activities of the Project's Executive Steering Committee.

5.2.2 *Project Management*

The Project Manager is responsible for managing activities to ensure a successful project outcome. The Project Manager from the MIS/DSS Project Office plans and directs the activities of the procurement team. The Project Manager also tracks and reports project status, issues, and risks. The Project Manager communicates appropriate information to the team members, to executive management, the Project's Steering Committee, and other stakeholders. The Project Manager is key in resolving problems that require action and/or coordination with other entities. The Project Manager approves and accepts work products from the project team, consultants, and prime contractor. The Project Manager is responsible for coordinating the development and approval of the Request for Proposal (RFP), and must coordinate activities to ensure timely execution of the project work plan.

The Project Manager will supervise activities of team members including the ACS hired to assist in the procurement effort. The Project Manager is the primary point of contact for DGS, other control organizations, stakeholders and bidders.

The Project Manager will transition to the role of Contract Manager, administering and monitoring the prime contract. The Project Manager formally accepts all contract deliverables, and is the primary point of contact with the Contractor for contractual issues.

5.2.3. *Procurement Team*

The Procurement team is comprised of staff from DHS' OMPS/MIS/DSS Section (Project Office), ITSD MIS/DSS staff, MCS program staff, DGS representative, Consolidated State Data Center representatives, DHS Legal, and other consultants, as needed, for the appropriate level of expertise for each function. Additionally, DHS and other Agency Stakeholders will be involved in the strategic planning, requirements definition, and evaluation of proposals.

Representatives from Department of General Services (DGS) and DHS Legal Counsel assist the procurement by providing legal and regulatory guidance and expertise. The DGS representative helps ensure that the procurement process complies with DGS standards. The Legal Counsel assists in the preparation and review of the model contract for the final contract award.

The procurement team members research, develop and review procurement documents. MIS/DSS project team leads are assigned for the Administration, Systems, and UAT functions (See Table 1 for responsibilities). In addition, because of the aggressive timeframe and criticality of this procurement, DHS will hire an ACS contractor to provide procurement expertise and develop procurement documents.

5.2.4. *Quality Assurance (QA) and Oversight*

In conformance with the Capability Maturity Model for System Acquisition (CMM-SA) and IEEE, Recommended Practice for Software Acquisition, the DHS will procure the services of an Independent Project Oversight Consultant (IPOC) to provide quality assurance (QA) and oversight during the procurement process, and an Independent Verification and Validation Consultant (IV&V) after the contract is awarded. The IPOC will review all Project Office deliverables and project management activities. The IV&V will create the QA Plan to be used after contract award, to oversee the winning bidder's activities and deliverables, to ensure that they meet all requirements.

6. PLANNING ACTIVITIES

6.1. PLANNING PHASE

During the Planning Phase, the MIS/DSS Project Office, defines the system requirements, prepares the Request for Proposal (RFP), evaluates vendor's proposals, selects a winning proposal, and awards the contract.

6.1.1 *Requirements Definition*

The MIS/DSS requirements are based on Departmental program/ business needs. The requirements were defined in the original RFP in 1996, were further refined during implementation, and were proven during production operation. The current requirements definition starts by evaluating the RFP prepared in 1996 and using the elements that still apply. In June 2004, the Project Office contracted for an Independent Assessment (IA) of the current system, and will incorporate IA recommendations for enhancements and upgrades to the current system, into RFP requirements, as appropriate. In addition, the MIS/DSS Project Office will:

- Contract with an ACS to ensure compliance with procurement policies and guidelines.
- The ACS will also facilitate work groups with users and stakeholders to document functional requirements, will research current industry standards and workflow, document technology requirements, identify inefficiencies, collect baseline metrics, and identify and prioritize areas for enhancement/ improvement. Because of the need to support future decision making, extra care must be taken in formulating general, functional and technical requirements.
- The Project Office will ensure that all MIS/DSS requirements are documented in the RFP.

6.1.2. Request for Proposal Preparation

The MIS/DSS Project Office will hire an ACS who will assist in preparing the RFP, bidding instructions, and rules governing competition for the RFP in accordance with the State Administrative Manual. The system requirements are based on Federal and State standards, codes, policies, regulations, and procedures as well as MIS/DSS business process analysis. The services required in the RFP will comply with IEEE 12207, Software Lifecycle Processes, that include sound processes for project management, system development, implementation, and operation. The system development life cycle includes requirements for analysis, design, coding, testing and implementation.

6.1.3. Proposal Evaluation and Selection

The MIS/DSS Project Office will prepare a Proposal Evaluation Plan that defines the evaluation criteria and point system. The plan will also define proposal handling and security procedures.

Draft Proposals will be submitted and reviewed for adherence to the selected elements of the RFP. The Evaluation Team will interview each vendor and discuss items that need clarification and any defects in the Draft proposal. The vendor is expected to provide a demonstration of the proposed system at this interview. The vendor will subsequently prepare a final proposal for evaluation. The Evaluation Team selects a Prime Contractor based on “best value”. Technical feasibility, project management, and cost/schedule will be considered and weighted to indicate priority in the best-value evaluation. The Evaluation Team prepares a Vendor Selection and Evaluation Report, which is presented to the DHS Executive Steering Committee and to DGS for approval.

6.1.4 Contract Award

A Model Contract will be included in the RFP. Each bidder will submit a draft contract, based on the model contract, with their proposal. A final draft contract will be negotiated with each bidder in confidential discussions during the proposal evaluation phase. Once a winning bidder is selected, the contract will be finalized and approved. The subsequent contract will be a combination of fixed price and fixed rate tasks with enforceable standards and remedies/penalties related to contractor performance. The contract will have a change process, a HIPAA Privacy and Security Provision, and a termination clause.

6.1.5. Supporting Processes

The Project Office will employ supporting administrative tools and processes including:

- Project Tracking and Reporting
- Communications Controls/Coordination
- Governance
- Issue Management
- Requirements Management

PLANNING ADVANCE PLANNING DOCUMENT

- Document Management
- Risk Management
- Quality Assurance
- Change Management

6.2. PLANNING DELIVERABLES

The following tables show the project deliverables for planning and procurements.

Table 1. Project Office Plans and Procedures

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
MIS/DSS Project Charter	Establishes strategic direction of the project by defining project goals, scope, and roles and responsibilities.	Planning phase	Project Manager
Master Project Plan	High level project plan	Planning phase	Project Manager
Planning Advance Planning Document (PAPD) and Planning Advance Planning Document Update (PAPDU)	Budget plan and approval document for the Planning and Procurement phases of the project.	Planning phase with budget cycle	Administrative Lead
Implementation Advance Planning Document (IAPD) and Implementation Advance Planning Document Update (IAPDU)	Budget plan and approval document for the Contractor Oversight and Implementation phases.	Planning phase with budget cycle, when facts from the RFP and Bid responses are available	Administrative Lead Acquisition Specialist
Budget Change Proposal	Annual update to the budget	Planning phase with budget cycle	Administrative Lead
Work plan	Detailed list of project activities, relationships, due dates, and staff assignments	Planning phase	Project Manager
Communications Plan	Defines communications responsibilities for the Project Office and Stakeholders.	Planning phase	Project Manager
Governance Plan	Identifies the project participants and establishes their roles,	Planning phase	Project Manager

PLANNING ADVANCE PLANNING DOCUMENT

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
	relationships, and responsibilities for decision-making, approvals, and issue resolution and escalation.		
Issue Management Procedures	Defines procedures for issue management using a database tool	Planning phase	Project Manager Systems Lead
Document Management Procedures	Defines procedures for document management using a database tool.	Planning phase	Project Manager Systems Lead
Risk Management Procedures	Defines procedures for risk requirement management using a database tool	Planning phase	Project Manager IPOC
Requirements Management Procedures	Defines procedures for requirement management using database tool.	Planning phase	Project Manager Systems Lead
Quality Assurance and Oversight Plan	Defines plans for verifying and validating Project Office and Vendor work products and processes	Planning phase. First draft prior to the RFP release and final draft at contract award.	Project Manager IPOC IV&V
Proposal Evaluation Plan	Plans and procedures for accepting and evaluating bidder proposals	Planning phase. Prior to RFP release	Project Manager Acquisition Specialist
Contract Management Plan	Plan for contract oversight and change management.	Planning phase. First draft prior to the RFP release and final draft at contract award.	Project Manager
System Acceptance Plan	Project Office prepares details of test methods resources, and schedule for system acceptance testing	Planning and Implementation phases. High-level plan prepared with RFP. Detailed plan after contract award.	Project Manager UAT Lead IV&V
Implementation Plan	Description of resources, processes and schedule for system implementation. Both vendor and Project Office create plans for their	Planning and Implementation phases. High-level plan prepared with RFP and proposal. Detailed plan after contract award.	Project Manager Acquisition Specialist

PLANNING ADVANCE PLANNING DOCUMENT

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
	areas of responsibility.	after contract award.	IV&V

Table 2. Procurement Documents

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
Request for Proposal	Defines requirements for MIS/DSS, proposals, and proposal evaluations. Also contains Model Contract.	Planning Phase	Project Manager Procurement Team
Proposal Evaluation Plan	Defines plans and procedures for the evaluation of proposals submitted by bidders.	Planning Phase	Project Manager Acquisition Specialist
Proposal Evaluation and Selection Report	Results of the proposal evaluation	Planning Phase	Project Manager Acquisition Specialist
Prime Contract	Prime contract negotiated with winning bidder.	Planning Phase	Project Manager

PLANNING ADVANCE PLANNING DOCUMENT

Table 3. Plans, Procedures and Procurement Documents

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
Agendas, minutes, and issues documentation	Defines requirements for MIS/DSS procurement processes, proposals, and proposal evaluations. Also provides direction for procurement.	Planning and Implementation phases. High-level plan prepared with RFP and proposal. Detailed plan after contract award.	Steering Committee

Table 4. Plans, Procedures and Procurement Documents

TITLE	DESCRIPTION	WHEN	RESPONSIBLE PARTY
Stakeholder Requirements Documentation	Defines requirements for Agendas, Attributes, Priorities, Business Requirements, Functional Requirements, Technical Requirements/Constraints , Generic Future Requirements	Planning and RFP development.	Stakeholders Acquisition Specialist Project Manager

6.3. MILESTONES

The following table shows the critical project milestones. The attached Exhibit B, MIS/DSS Project Work Plan Analysis, lists the detailed activities and efforts by fiscal year.

Critical Milestones	Completion Date
NCB Contract Extension/Procurement Concept Approval	December 23, 2003
Independent Assessment	August 11, 2004
PAPD	November 2004
Contract for ACS and DGS	November, 2004
Stakeholders Requirements Sessions	December, 2004
Obtain Approvals and Release RFP	March 1, 2005
Draft Proposals Due From Bidders	March 31, 2005
Final Proposals Due from Bidders	May 18, 2005
Apparent Best Value Bidder Determined	August 22, 2005
Obtain Approval of Selection and Contract Award	September 29, 2005

The goal during the implementation phase is to manage the implementation work plan to ensure a smooth transfer and implementation of the new MIS/DSS. The focus during this phase

involves coordinating change management, site preparation, training, and system rollout activities.

The Project Management Plan for the implementation phase will be included in the IAPD, along with the milestone schedule.

6.4. COMMITMENTS TO CONDUCT

In accordance with CMS requirements, the MIS/DSS Project commits to conduct:

- ✓ **Requirements Analysis**– the MIS/DSS Project Office will conduct requirements analysis in the Planning Phase and will create the MIS/DSS System Requirements Specification. During the Implementation Phase, the State and Contractor shall conduct requirements analysis to validate, verify, and refine those system requirements.
- ✓ **Functional Specification** – the MIS/DSS System Requirements Specification document prepared by the MIS/DSS Project Office shall describe functions and capabilities of the system; business, organizational and user requirements; security, interfaces, operations, and maintenance requirements; design constraints and qualification requirements.
- ✓ **Alternatives Analysis** – Implementation Advanced Planning Document (IAPD) delivered at the end of the Planning Phase shall include a comparison of the alternatives considered. Additional research shall be conducted as needed during the Implementation Phase.
- ✓ **Cost/Benefit Analysis** – the IAPD Report shall include a cost/benefit analysis of the alternatives considered. Additional research shall be conducted as needed during the implementation phase.
- ✓ **Systems Design** – during the Implementation Phase the Contractor shall develop revisions and enhancements to the System Design and Detailed System Design documents, based on the DHS approved proposal. The System Design shall describe the top-level system architecture and functional software components. The Detailed System Design shall describe the detailed software, database and interface design.
- ✓ **Review Application Design (RAD) with users** – As part of the design process for enhancements, the Contractor shall conduct RADs with users to include Department users and MIS/DSS Project Office staff.
- ✓ **System Interrelationships** –system interfaces are required and will be detailed, based on the winning proposal, in the IAPD..

7. PROJECT BUDGET

7.1.1. Budget by State Fiscal Year

Exhibit A shows the Planning Phase Estimated Budget and the proposed Budget by State Fiscal Year with a projected total Planning Phase project cost of \$1,696,660.

7.1.1.1. Implementation Phase Project Funding Plan

Exhibit A contains the Cost Allocation Plan (CAP). All costs have been distributed within the Project in accordance with the current federal and state funding ratios for each program. The MIS/DSS procurement project falls into three funding categories: 50%/50% for the Independent Assessment ; 75%/25% for IT equipment and ongoing Operations and Maintenance; and 90%/10% for planning activities, transfer from the current to the new contract for MIS/DSS including development and replacement of proprietary system components, and for the detail design and development of system enhancements for the new contract for MIS/DSS.

7.1.1.2. Implementation Phase Cost Estimates

For informational purposes, this PAPD also identifies additional funding that may be required for the MIS/DSS implementation phase should it be approved beginning in FY 2005/2006. The MIS/DSS Project Office will request approval of the MIS/DSS implementation phase via an IAPD to be prepared in the fall of 2005, when the winning Contractor is selected. The estimated costs are identified in Exhibit AC, MIS/DSS Implementation Phase Cost Estimates, but represent only rough estimates based on departmental experience, and standard cost models. The more accurate, detailed cost estimate that is based on the winning Contractor's bid will be part of the IAPD.

8. ASSURANCES

The MIS/DSS project shall meet the following Federal requirements:

✓ **Procurement Standards (Competitive/Sole Source)**

Document: Title 45 Code of Federal Regulations, Part 95

Sec. 95.613 Procurement standards.

(a) Procurements of ADP equipment and services are subject to the procurement standards prescribed by subpart P of 45 CFR part 74 regardless of any conditions for prior approval. Those standards include a requirement for maximum practical open and free competition regardless of whether the procurement is formally advertised or negotiated.

(b) Those standards, as well as the requirement for prior approval, apply to ADP services and equipment acquired by a State or local agency, and the ADP services and equipment acquired by a State or local Central Data Processing facility primarily to support the Medi-Cal program covered by this subpart. Service agreements are exempt from these procurement standards.

Document: State Medicaid Manual Part II

Section 11267 Required Assurances

For 90-percent, as well as for 75-percent funding, and 50-percent FFP where the threshold amounts found at 95.611 (a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for system, assurance that:

Procurements of ADP services and/or equipment for mechanized medical claims processing and information retrieval systems meet the provisions of 45 CFR 74, Administration of Grants;

Fair competition and public advertising are within Federal and state procurement standard. The Federal procurement standards are in 45 CRR 74, Subpart P and the December 4, 1995 State Medicaid Director letter.

✓ **Access to Records**

Document: Title 45 Code of Federal Regulations, Part 95
Sec. 95.615 Access to systems and records

In accordance with 45 CFR part 74, the State agency must allow the CMS access to the system in all of its aspects, including design developments, operation, and cost records of contractors and subcontractors at such intervals as are deemed necessary by the CMS to determine whether the conditions for approval are being met and to determine the efficiency, economy and effectiveness of the system.

Document: State Medicaid Manual Part 11
Section 11267 Required Assurances

For 90-percent, as well as for 75-percent funding, and 50-percent FFP where the threshold amounts found at 95.611 (a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for system, assurance that:

All deliverables, interim reports, data collection forms, questionnaires, and other working papers that support the final system acceptance will be made available on request to CMS. This applies to prime contractor, any subcontractors, and other state or local agencies supplying services.

✓ **Software Ownership, Federal Licenses, and Information Safeguarding**

Document: Title 42 Code of Federal Regulations, Part 433
Sec. 433.112(b) (5) – (9)

(5) The State owns any software that is designed, developed, installed or improved with 90 percent FFP.

(6) The CMS has a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for Federal Government purposes, software, modifications to software, and documentation that is designed, developed, installed or enhanced with 90 percent FFP.

(7) The costs of the system are determined in accordance with 45 CFR 74.171.

(8) The Medicaid agency agrees in writing to use the system for the period of time specified in the advance planning document approved by CMS or for any shorter period of time that CMS determines justifies the Federal funds invested.

(9) The agency agrees in writing that the information in the system will be safeguarded in accordance with subpart F, part 431 of this subchapter and with HIPAA requirements.

✓ **Progress Reports**

Document: State Medicaid Manual Part 11

Section 11267 Required Assurances

For 90-percent, as well as for 75-percent funding, and 50-percent FFP where the threshold amounts found at 95.611 (a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for system, assurance that:

Copies of progress reports, as required, will be delivered to CMS.

9. EXHIBITS

Exhibit A: Budget Comparison by State, Federal Fiscal Year and MIS/DSS Implementation Phase Cost Estimates

The Budget comparisons in this Exhibit are based on seven years of experience, planning, procuring, implementing and operating the MIS/DSS. For the last Fiscal Year the Project Office, staff has spent over 60 percent of the time planning and gearing up for the new procurement. These activities include the following: Planning with the Department of Finance, ITSD, General Services and CMS, procuring for an Independent Assessment of the MIS/DSS, procuring for an Acquisition's Consulting Specialist, development of the PAPD, etc.

The Department expects that there will be Development and Design activities as part of the upgrade and enhancement of the system.

Exhibit B: MIS/DSS Project Work Plan Analysis

EXHIBIT A

**BUDGET BY STATE, FEDERAL FISCAL YEAR
MIS/DSS IMPLEMENTATION PHASE COST ESTIMATES**

MIS/DSS Implementation Cost Estimates

1 INTRODUCTION

This document provides a rough cost estimate for planning the transfer, enhancement, maintenance and operation of the MIS/DSS. The new contract for MIS/DSS services will have the scope and functionality described in the body of this PAPD. The implementation phase includes a six (6) month overlap with the current contract to facilitate transfer activities. Details and the schedule for design and development of enhancements and upgrades will be based upon the DHS approved proposal. The remainder of the contract term will focus on maintenance and operation of the enhanced system. The estimate assumes the contract is awarded in September 2005. For informational purposes, this PAPD also identifies projected estimates for system implementation.

1.1 Stakeholder Organizations

1.1.1 Department of Health Services (DHS)

The DHS MIS/DSS Project Office is responsible for managing the activities in support of the MIS/DSS procurement. The Project Office provides staff for project management, including status reporting, assessing and mitigating risk, facilitating communications and teamwork among stakeholders, resolving issues, and managing resources. During the implementation phase, the Project Office oversees all activities associated with the MIS/DSS system development, implementation, operation, and maintenance. The Project Office verifies and validates processes and deliverables of the Contractor.

DHS' ITSD MIS/DSS staff will also participate in this procurement project. ITSD staff provide technical input, research, review of procurement documents and evaluation of proposals. ITSD MIS/DSS staff will be involved in the requirements definition, RFP development, and proposal evaluation phases of this project.

1.1.2 California Consolidated Data Centers (CCDC)

In partnership with the Contractor, the CCDC will provide and maintain the central operating environment for the system at the data center in Sacramento and the Wide Area Network (WAN) that connects MIS/DSS users to the MIS/DSS mainframe and servers at the data center. The Contractor will be responsible for operating and maintaining the application and associated toolsets and for hardware upgrading and maintenance. Specifically, CCDC will be responsible for and/or perform the following functions:

1. Procurement of all hardware to reside within CCDC.
2. Procurement of all data center operating system software products required for MIS/DSS operations.

3. Configure and manage data center core operating systems and database management systems.
4. Maintain backup and recovery of all data center system and data files on the system(s).
5. Maintenance of data center system security including all privileged accounts on the system(s).
6. Maintenance and operation of data center system environment including but not limited to power supplies, temperature control and physical security.
7. Monitoring and management of the CCDC WAN.
8. Support for the MIS/DSS mainframe access.
9. Physical security.

The Contractor will partner with CCDC in implementing and maintaining the solution.

2 MIS/DSS COST ESTIMATE

2.1 Assumptions

The cost estimates derived from current contract information and analysis of the costs of the current system.

The following analysis contains no actual costs or schedules. The data are only estimates based on our seven (7) year experience with the current system and estimates of required enhancements. The costs and timelines are only presented for informational purposes. Actual costs may be different. Actual costs will be defined in bidder proposals submitted in response to the state issued Request for Proposal (RFP). This PAPD document includes information on the costs, benefits and return on investment for the current system as well as some estimates of future savings.

The cost estimates are based on the following general assumptions:

1. Costs are total project cost.
2. Timelines may not represent actual contract award dates, but are provided for informational purposes. Costs are based on two years for Design, Development, and Implementation (DDI) and then two years of Maintenance and Operation (M&O).
3. Neither caseload growth nor differences in program services such as the transition to the Medicare drug program were factored in over this period
4. Five percent annual inflation was applied to all costs except for non-recurring costs
5. The new contract must include bringing the MIS/DSS processes and documentation up to current technological and industry standards

2.2 One-Time Costs

2.2.1 DHS Staff

The one-time cost estimate for state staff includes costs for six MIS/DSS Project Office, and for one and one-half ITSD staff, during the Design, Development, and Implementation (DDI).

MIS/DSS Project Office Staff

- Project Manager
- Administration Lead
- Systems Lead
- UAT Lead
- Research Analyst
- Office Technician

ITSD MIS/DSS Staff

- Data Processing Manager (.5)
- SISA

2.2.2 Hardware/Software Purchases

The hardware/software purchases include the cost of purchasing a Commercial-Off-the-Shelf (COTS) Decision Support and Reporting System, and for making any changes or upgrades necessary, in the current hardware configuration..

2.2.3 Contract Services

The one-time contract services:

1. Contractor costs for the Design, Development, and Implementation of the MIS/DSS. These one-time costs are necessary for the new contractor to transfer and replace proprietary code iusedused to perform the monthly data base update, and for replacement of proprietary front-end applications. The development effort includes installation of the decision support and reporting software applications. The cost assumes a standard life cycle for development to include requirements analysis, design, code, test and implementation and for supporting processes to include project management, quality assurance and documentation.
2. DHS consultants:
 - a. Acquisition Consultant Services:

- i. Contract Consultant to help with procurement activities including, requirements definition, market-place research, RFP development, development of required procurement documents and support of the evaluation processes.
- b. IPOC:
 - i. Oversight of planning and project management processes.
- c. IV&V:
 - i. Independent validation and verification of design, implementation, operations and maintenance processes and products.

2.3 Continuing Costs

2.3.1 Staff

2.3.2 Continuing Cost

Continuing costs for DHS staff from the MIS/DSS Project Office and the ITSD MIS/DSS staff during maintenance and operation. MIS/DSS has six (6) staff and ITSD has one and one half (1 ½) staff dedicated to this function. In addition, ITSD's Data Guidance Unit provides ongoing operational support by processing monthly input files for the MIS/DSS.

Contract Services

The continuing contract services with the MIS/DSS Contractor during maintenance and operation of the MIS/DSS will also be included in the RFP and contract.

2.3.3 Hardware Maintenance

The Contractor is responsible for ongoing hardware costs, including the maintenance of equipment for the client- server(s) and mainframe.

2.3.4 Software Maintenance

The Contractor is responsible for the purchase and/or licensure of Commercial Off-the-Shelf (COTS) decision support and reporting system software, and for routine product upgrades. This includes non-data center software for the end users desk top computers. These duties will be included in the contract.

2.3.5 Data Center

The continuing costs for the CCDC maintenance and upgrades of the mainframe operating system software, operation of the WAN, backup and disaster recovery operations, and facilities costs.

2.3.6 Other

There are no other costs clearly identifiable at this time.

MIS/DSS Project Procurement

PLANNING ADVANCE PLANNING DOCUMENT

CA. FY.	December 1 thru June 30*			
	04-05			
Sheet A-1:	90/10	75/25	50/50	Total
TOTAL DHS	\$ 1,172,000			
IPOC	\$ 50,000			\$ 50,000
Acquisition Specialist	\$ 250,000			\$ 250,000
DGS-Staff	\$ 8,000			\$ 8,000
Project Staff	204166			\$ 204166
ITSD Staff	\$ 84583			\$84583
Data Guidance-Data Feed		0		0
Sub-Total	\$ 596749			\$596749

*State Fiscal Year runs from July 1-June 30. Amounts listed above are from December 1, 2004 through June 30, 2005.

PLANNING ADVANCE PLANNING DOCUMENT

CA FY.	December 1 thru June 30*			
	04-05			
Sheet A-2:	90/10	75/25	50/50	Total
TOTAL Costs	\$ 596749	\$	\$	596749
Fed Funds @ 90%	\$ 537074			\$ 537074
State GF @ 10%	\$ 59675			\$ 59675
Fed Funds @ 75%				\$
State GF @ 25%				\$
Fed Funds @ 50%				\$
State GF @ 50%				\$

*State Fiscal Year runs from July 1-June 30. Amounts listed above are from December 1, 2004 through June 30, 2005.

MIS/DSS Project Procurement

PLANNING ADVANCE PLANNING DOCUMENT

Planning Procurement Activities	
By	
Federal Fiscal Years	
Sheet A-3:	Dec. 1, 2004
	Through Sept. 30, 2005*
TOTAL DHS	2005
IPOC 90/10 Planning Activities	\$ 50,000.00
Acquisition Specialist 90/10 Planning Activities	\$ 250,000.00
DGS-Staff 90/10 Planning Activities	\$ 8,000.00
Project Staff 90/10 Planning Activities	\$ 204,166.00
ITSD Staff 90/10 Planning Activities	\$ 84,583.00
TOTAL	\$ 596,749

*Although the Federal Fiscal Year runs Oct 1 through Sept. 30, staffing costs reflect Dec 1, through June 30 charges.

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

FEDERAL FISCAL YEARS			
ESTIMATED/PLANNING PROCUREMENT ACTIVITIES			
(Breakdown by Federal/State Fund Percentages-Continued) Sheet A-4			
FEDERAL FISCAL YR	2003	2004	Dec. 1, 2004- Sept. 30, 2005 2005
TOTAL			
Fed Funds @ 90%	\$	\$	\$ 537,074
State GF @ 10%	\$	\$	\$ 59,675
Fed Funds @ 75%	\$	\$	\$
State GF @ 25%	\$	\$	\$
Fed Funds @ 50%	\$	\$	\$ 0
State GF @ 50%	\$	\$	\$ 0
	-		

*Although the Federal Fiscal Year runs Oct 1 through Sept. 30, staffing costs reflect Dec 1, through June 30 charges.

MIS/DSS PROJECT Procurement

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

State Fiscal Year															
July 1 through June 30															
ESTIMATED IAPD MIS/DSS PROJECT COSTS															
CA FY	July 1, 2005- June 30, 2006			July 1, 2006- June 30, 2007			July 1, 2007- June 30, 2008			July 1, 2008- June 30, 2009			July 1, 2009- April 16, 2010		
	05-06			06-07			07-08			08-09			09-10		
Sheet B-1	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	75/25	50/50	TOTAL
Total	\$2,777,700 *			\$10,780,000			\$7,611,000			\$6,826,000			\$4,764,000		
MIS/DSS Contractor															
Software	\$195,000			\$1,300,000			\$1,450,000			\$1,650,000			\$1,600,000		\$ 6,195,000
Training	\$2,700			\$160,000			\$261,000			\$135,000			\$47,000		\$605,700
Personnel	\$2,450,000			\$8,450,000 \$350,000			\$4,250,000 \$1,325,000			\$4,710,000			\$2,800,000		\$24,335,000
Other	\$130,000			\$500,000 \$20,000			\$210,000 \$115,000			\$331,000			\$317,000		\$1,623,000
SUB-TOTAL	\$2,580,000	\$195,000	\$2,700	\$8,950,000	\$1,670,000	\$160,000	\$4,460,000	\$2,890,000	\$261,000	\$6,691,000	\$135,000		\$4,717,000	\$47,000	\$32,758,700

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

State Fiscal Year													
July 1 through June 30													
ESTIMATED IAPD MIS/DSS PROJECT COSTS-CONTINUED													
CA. FY.	July 1, 2005- June 30, 2006			July 1, 2006- June 30, 2007			July 1, 2007- June 30, 2008			July 1, 2008- June 30, 2009			July 1, 2009- April 16, 2010
	05-06			06-07			07-08			08-09			
Sheet B-2:	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	75/25 50/50 TOTAL
TOTAL Consolidated Data Ctr	\$214,266			\$ 2,507,148			\$ 2,507,148			\$ 2,507,148			\$ 2,364,290 **
Other Data Center Charges	\$ -			\$1,650,000			\$ 1,650,000			\$1,650,000			\$ 1,650,000 \$ 6,600,000.00
Upgraded Equipment/Software		\$ 214,266			\$ 857,148			\$ 857,148			\$ 857,148		\$ 714,290 \$ 3,500,000.00
SUB-TOTAL Data Contract	\$ -**	\$214,266		\$ 2,507,148			\$ 2,507,148			\$ 2,507,148			\$ 2,364,290 \$ 9,885,734.00

**Note: 05-06 reflects partial year amounts (10 weeks) the contracts estimated start date is April 17, 2006

09-11 FY costs reflect 9.5 months with contract end date of April 16, 2010 for upgraded Equipment/Software

Data Center charges are budgeted per year, thus the 05-06 year is already in place

Facilities/Energy/Maintenance/Staffing are in the budgeted Data Center yearly charges

Equipment/Software/Warranty costs would be expected as part of the overall contract bid and would be included in the Upgraded Equipment/Software costs

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

State Fiscal Year														
July 1 through June 30														
ESTIMATED IAPD MIS/DSS PROJECT COSTS-CONTINUED														
CA. FY	July 1, 2005- June 30, 2006			July 1, 2006- June 30, 2007			July 1, 2007- June 30, 2008			July 1, 2008- June 30, 2009			July 1, 2009- April 16, 2010	
	05-06			06-07			07-08			08-09			09-10	
Sheet B-3:	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	75/25	50/50
TOTAL DHS	\$ 593,166			\$ 1,245,000			\$ 1,145,000			\$ 1,045,000			\$ 909,827	*
IV&V Contractor	\$ 50,000			\$ 200,000			\$100,000							\$ 350,000
IPOC	\$ 50,000													
Acquisition Specialist	\$ 250,000													\$250,000
DGS-Staff	\$ 8,000	*												\$ 8,000
Project Staff	\$ 104,166	*		\$ 315,000	\$ 185,000		\$ 315,000	\$185,000		\$ 500,000			\$ 395,827	\$1,999,993
ITSD Staff	\$ 31,000	*		\$ 145,000			\$ 45,000	\$100,000		\$ 145,000			\$ 114,000	\$ 580,000
Data Guidance-Data Feed		\$ 100,000	*		\$ 400,000			\$ 400,000		\$ 400,000			\$ 400,000	**
Sub-Total	\$ 493,166	\$ 100,000		\$ 660,000	\$ 585,000		\$ 460,000	\$ 685,000		\$ 1,045,000			\$ 909,827	\$ 4,937,993

*Note: 05-06 reflects partial year amounts (10 weeks) the contracts estimated start date is April 17, 2006

09-12 FY costs reflect 9.5 months with contract end date of April 16, 2010

MIS/DSS PROJECT Procurement

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

State Fiscal Year July 1 through June 30 ESTIMATED IAPD MIS/DSS PROJECT COSTS-CONTINUED (Breakdown by Federal/State Fund Percentages)															
	July 1, 2005- June 30, 2006			July 1, 2006- June 30, 2007			July 1, 2007- June 30, 2008			July 1, 2008- June 30, 2009			July 1, 2009- April 16, 2010		
CA. FY	05-06			06-07			07-08			08-09			09-10		
Sheet B-4:	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	90/10	75/25	50/50	75/25	50/50	Total
TOTAL Costs	\$ 3,073,166	\$509,266	\$ 2,700	\$ 9,610,000	\$ 4,762,148	\$ 160,000	\$ 4,920,000	\$ 6,082,148	\$ 261,000	\$10,243,148 \$135,000			\$ 7,991,117	\$ 47,000	\$ 47,796,693
Fed Funds @ 90%	\$ 2,765,849.40			\$ 8,649,000			\$ 4,428,000								\$ 15,842,849.40
State GF @ 10%	\$ 307,316.60			\$ 961,000			\$ 492,000								\$ 1,760,316.60
Fed Funds @ 75%	\$ 381,950			\$ 3,571,611			\$ 4,561,611			\$7, 682,361			\$ 5,993,337.75		\$ 22,190,870.25
State GF @ 25%	\$ 127,316			\$ 1,190,537			\$ 1,520,537			\$2, 560,787			\$ 1,997,779.25		\$ 7,396,956.75
Fed Funds @ 50%	\$ 1,350			\$ 80,000			\$130,500			\$ 67,500			\$ 23,500		\$ 302,850.00
State GF @ 50%	\$ 1,350			\$ 80,000			\$130,500			\$ 67,500			\$ 23,500		\$ 302,850.00

Note: *The amounts reflect partial years

Start date for contractor is estimated as April 17, 2006 end date is April 16, 2010. Data Center charges are budgeted per year, thus the 05-06 year is already in place

MIS/DSS PROJECT Procurement

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

FEDERAL FISCAL YEARS					
ESTIMATED IAPD ACTIVITIES					
Sheet C-1:					
TOTAL Procurement	Oct. 1, 2005 – Sept. 30, 2006	Oct. 1, 2006-Sept. 30, 2007	Oct. 1, 2007-Sept. 30, 2008	Oct. 1, 2008-Sept. 30, 2009	Oct. 1, 2009-April 16, 2010
MIS/DSS Contractor	2006	2007	2008	2009	2010
Software 75/25	\$ 520,000	\$1,337,500	\$ 1,500,000	\$1,742,763	\$ 1,094,736.84
Training 50/50	\$ 42,700	\$ 185,250	\$ 229,500	\$116,092	\$ 32,157.89
Personnel 90/10	\$ 4,562,500	\$ 7,400,000	\$ 3,187,500	\$ -	\$ -
Personnel 75/25	\$ 87,500	\$ 593,750	\$ 2,171,250	\$4,416,710	\$ 1,915,789.47
Other 90/10	\$ 255,000	\$ 427,500	\$ 157,500	\$ -	\$ -
Other 75/25	\$ 5,000	\$43,750	\$ 169,000	\$348,355	\$ 216,894.74
SUB-TOTAL	\$ 5,472,700	\$ 9,987,750	\$7,414,750	\$ 6,623,921	\$ 3,259,579
Consolidated Data Center					
TOTAL Consolidated Data Ctr					
Other Data Center Charges 75/25	\$756,250	\$1,650,000	\$1,650,000	\$ 1,650,000	\$ 893,750
Upgraded Equipment/Software 75/25	\$428,571	\$ 857,143	\$ 857,143	\$ 857,143	\$500,000
SUB-TOTAL Data Contract	\$ 1,184,821	\$ 2,507,143	\$ 2,507,143	\$ 2,507,143	\$ 1,393,750

*Note: 06 reflects partial year amounts the contracts estimated start date is April 17, 2006

2010 FY costs reflect contract end date of April 16, 2010

Facilities/Energy/Maintenance/Staffing are in the budgeted Data Center yearly charges

Equipment/Software/Warranty costs would be expected as part of the overall contract bid and would be included in the Upgraded Equipment/Software costs

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

FEDERAL FISCAL YEARS

ESTIMATED IAPD ACTIVITIES-CONTINUED

Sheet C- 2:

DHS:	Oct. 1, 2005 – Sept. 30, 2006	Oct. 1, 2006-Sept. 30, 2007	Oct. 1, 2007-Sept. 30, 2008	Oct. 1, 2008-Sept. 30, 2009	Oct. 1, 2009-April 16, 2010
TOTAL DHS	2006	2007	2008	2009	2010
IV&V Contractor 90/10	\$ 100,000	\$175,000	\$ 75,000	\$ -	\$ -
IPOC 90/10	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Acquisition Specialist 90/10	\$ 250,000	\$ -	\$ -	\$ -	\$ -
DGS-Staff 90/10	\$ 8,000	\$ -	\$ -	\$ -	\$ -
Project Staff 90/10	\$ 182,916	\$ 315,000	\$ 236,250	\$ -	\$ -
Project Staff 75/25	\$ 46,250	\$185,000	\$ 263,750	\$ 499,998.00	\$ 270,829
ITSD Staff 90/10	\$ 67,250	\$120,000	\$ 33,750	\$ -	\$ -
ITSD Staff 75/25	\$ -	\$ 25,000	\$ 111,250	\$ 144,750.00	\$ 78,000
Data Guidance-Data Feed 75/25	\$ 200,000	\$ 400,000	\$ 400,000	\$ 426,315.79	\$ 273,684
SUB-TOTAL DHS	\$ 904,416	\$1,220,000	\$1,120,000	\$ 1,071,064	\$ 622,513
SUB-TOTAL ALL FY's	\$ 7,133,366	\$12,857,750	\$10,184,750	\$ 9,344,985	\$ 4,775,842
TOTAL ALL FY's:	\$ 44,296,693				

*Note: 06 reflects partial year amounts the contracts estimated start date is April 17, 2006

2010 FY costs reflect contract end date of April 16, 2010

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

FEDERAL FISCAL YEARS														
ESTIMATED IAPD ACTIVITIES-CONTINUED														
(Breakdown by Federal/State Fund Percentages)														
Sheet C-3:	Oct. 1, 2005 – Sept. 30, 2006			Oct. 1, 2006-Sept. 30, 2007			Oct. 1, 2007-Sept. 30, 2008			Oct. 1, 2008-Sept. 30, 2009		Oct. 1, 2009-April 16, 2010		TOTALS
FEDERAL FISCAL YR	2006			2007			2008			2009		2010		
TOTAL	\$ 5,475,666	\$2,043,571	\$ 42,700	\$ 8,437,500	\$ 5,092,143	\$185,250	\$ 3,690,000	\$ 7,122,393	\$ 229,500	\$ 10,086,036	\$116,092.11	\$ 5,243,684	\$ 32,157.89	\$ 47,796,693
Fed Funds @ 90%	\$ 4,928,099.40			\$ 7,593,750			\$ 3,321,000			\$ -				\$ 15,842,849
State GF @ 10%	\$ 547,566.60			\$ 843,750			\$ 369,000			\$ -				\$ 1,760,317
Fed Funds @ 75%		\$ 1,532,679			\$ 3,819,107			\$ 5,341,795		\$ 7,564,527		\$ 3,932,763		\$ 22,190,870
State GF @ 25%		\$ 510,892			\$ 1,273,036			\$1,780,598		\$ 2,521,509		\$ 1,310,921		\$ 7,396,957
Fed Funds @ 50%			\$ 21,350			\$ 92,625			\$ 114,750		\$ 58,046.05		\$16,078.95	\$ 302,850
State GF @ 50%			\$ 21,350			\$ 92,625			\$ 114,750		\$ 58,046.05		\$16,078.95	\$ 302,850

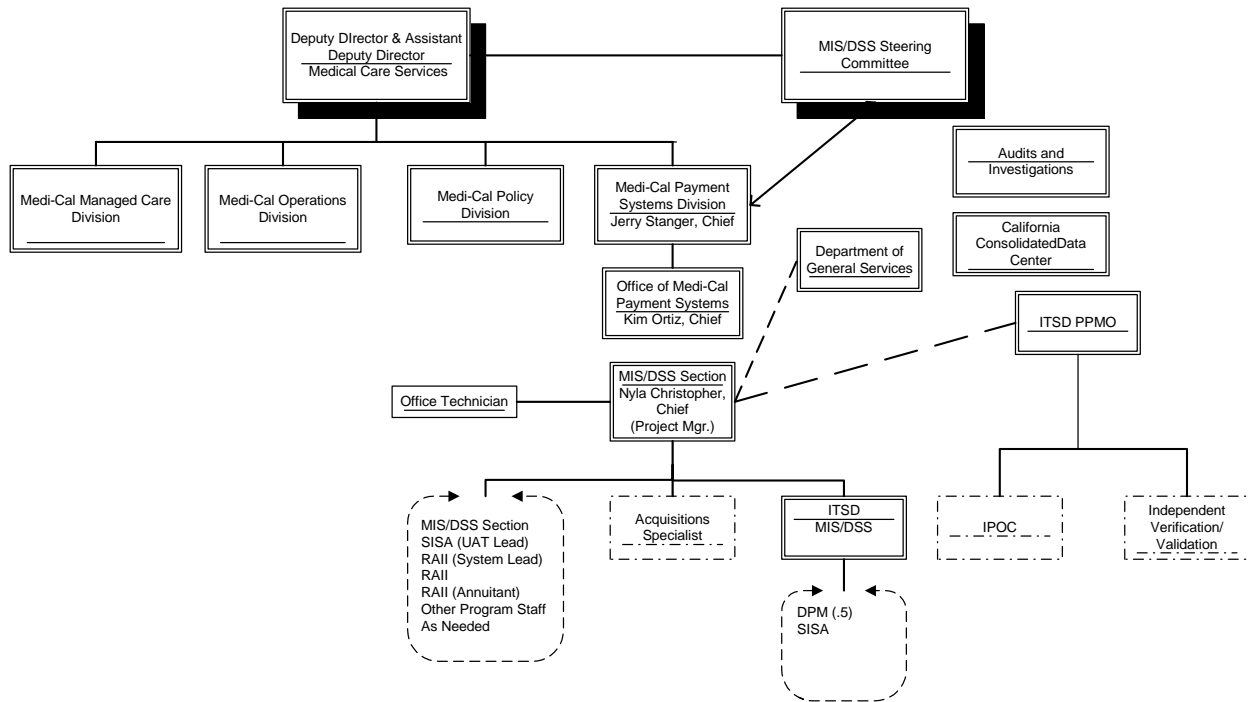
*Note: 06 reflects partial year amounts the contracts estimated start date is April 17, 2006

2010 FY costs reflect contract end date of April 16, 2010

EXHIBIT B

MIS/DSS PROJECT WORK PLAN ANALYSIS

PLANNING ADVANCE PLANNING DOCUMENT UPDATE



1. MIS/DSS PROJECT WORK PLAN ANALYSIS FOR THE PLANNING PHASE

The DHS has developed a standard work plan for its MIS/DSS procurement project, including current requirements for Acquisition Consultant Services (ACS), IPOC and IV&V as planners and oversight contractors. In general, in the planning phase the project office and the ACS will define MIS/DSS requirements, create a RFP, evaluate bidder proposals, negotiate a contract, and write an IAPD. The following tables show the tasks associated with each position.

State Project Manager (PM state position)

	Task
1	Develop/coordinate the Project Plan
2	Initiate Project staffing and infrastructure
3	Coordinate customer and stakeholder communications
4	Direct project activities
	√ Direct project planning activities
	√ Oversee project office organization and staffing
	√ Oversee project tracking and metrics tracking
	√ Oversee and participate in risk management
	√ Oversee and participate in issue resolution
	√ Monitor QA and IV&V effort
5	Negotiate contracts
6	Review, approve and accept work products

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

State Project Manager (PM state position)-Continued	
	Task
7	Participate in Change Control decisions
8	Develop contingency plans
9	Develop staff training plans
10	Prepare and maintain procurement schedule and work plans
11	Serve as single point of contact for bidders
12	Manage RFP development
13	Coordinate RFP approval
14	Coordinate contract negotiations and preparation
15	Manage evaluation of proposals and selection of vendor
16	Manage Contract development
17	Coordinate Contract and IAPD approval

Procurement Team & Acquisition Specialist

	Task
1	Develop and maintain the project charter
2	Develop and maintain project planning documents
3	Execute internal project activities √ Participate in project planning √ Participate in project tracking and metrics tracking √ Coordinate problem identification and resolution activities between prime contractor, customer, and project staff √ Participate in risk management and contingency planning √ Participate in Quality Assurance
4	Participate in proposal evaluation
5	Provide input on the technical portions of the RFP and Contract
6	Provide input on the technical portion of the IAPD
7	Prepare project management reports
8	Manage project risks
9	Manage project issues
10	Prepare reports for the legislature
11	Prepare periodic status reports
12	Respond to special requests from federal and state control agencies
13	Plan and attend project meetings
14	Review work products
15	Build and maintain project schedule
16	Track progress against project schedule
17	Track progress of prime contractor against schedule
18	Produce appropriate schedule and resource progress reports

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

Administrative Lead (state position)

	Task
1	Coordinate requests for administrative services
2	Advise Project Manager on Administrative issues and regulations

Systems Lead (state position)

	Task
1	Manage and maintain project library and associated records
2	Manage and maintain all project documents using Document Management System
3	Track the release and return of all project library
4	Develop and maintain document retention and destruction records
5	Audit library contents and records
6	Dispose/transfer records at completion of project with Configuration Manager

UAT Lead (state position)

	Task
1	Coordinate User Acceptance Testing during system transfer and enhancement
2	Review Contractor test results; recommend acceptance/rejection
3	Coordinate activities of other testers
4	Develop UAT test
5	Execute and analyze tests/results
6	Recommend system/enhancement acceptance/rejections

Office Technician: Office Support Function (state position)

	Task
1	Provide clerical/secretarial support
2	Maintain conference room calendars, distribution lists, etc.
3	Make travel arrangements
4	Manage incoming/outgoing mail
5	Monitor and escort project guests within the workplace
6	Prepare correspondence for project manager
7	Prepare presentations

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

IPOC and IV&V (consultants)

	Task
1	Ensure the technical and business solution addresses the problem
2	Provide recommendations for technical decisions
3	Serve as chief technical advisor to the Project Manager
4	Analyze existing and proposed systems
5	Define system concept
6	Define system quality attributes capacity, availability, maintainability, etc.
7	Develop validation strategy for requirements and system
8	Verify requirements feasibility from business and technical perspective
9	Verify design feasibility from business and technical perspective
10	Monitor system engineering activities
11	Provide technical expertise during procurement
12	Provide input on legislation for technical impacts
13	Participate in change control board
14	Participate in Executive Steering Committee

IPOC and IV&V: Subject Matter Expert Function (consultant)

	Task
1	Provide special expertise and perspective to reviews and product evaluations in such areas as business/program areas Network management/support, database administration, security administration, etc.
2	Conduct system viability study
3	Conduct cost/benefit analysis

Administration**Administrative: Project Manager-PM (state position)**

	Task
1	Oversees all contracts
2	Prepare project consultant contracts and project consultant contract amendments
3	Perform administrative and contractual oversight of consultants
4	Coordinate and track work authorizations for consultant contract change orders
5	Review and approve consultant contract deliverables
6	Process and audit project consultant invoices, including ensuring schedules, budgets, performance and products are consistent with the contract

PLANNING ADVANCE PLANNING DOCUMENT UPDATE

Administrative: Human Resources Function-Project Manager (state position)

	Task
1	Manage personnel transactions and attendance
2	Manage travel and training transactions
3	Support organizational design activities
4	Support recruitment of new staff
5	Maintain appropriate personnel records for state, user and consultant staff assigned to project

Administrative: Financial/Contract Management-Administrative Lead (state position)

	Task
1	Monitor all project budgets and financial matters
2	Monitor project budgeting and expenditure tracking
3	Monitor cost allocations and expenditures
4	Manage development of project approval documents
5	Coordinate resolution of fiscal issues
6	Perform project budgeting and expenditure tracking, including periodic expenditure projections
7	Assist with the preparation of all Project approval documents e.g. PAPDs, Special Project Reports, Advance Planning Documents and Budget Change Proposals
8	Track all expenditures

Administrative: Deliverable Monitor Function –System Lead (state position)

	Task
1	Receive and log deliverables from project consultant contracts
2	Track deliverables through the review process
3	Coordinate notification and resolution of deliverable deficiencies

Administrative: Business Services Function-Office Technician (state position)

	Task
1	Coordinate facilities including floor plan, supplies, furniture, phones, equipment, equipment inventory and requests for services
2	Check-out/in of project equipment laptops, cell phones, projectors, pagers, etc.
3	Business services copiers, pagers, printers, fax machines, projectors, etc.

Project Information Technology Support

	Task
1	Develop and maintain project tools
2	Develop and maintain tool design documentation
3	Develop and maintain user documentation and training materials
4	Provide second-level support for project tools and automation needs
5	Manage the project tool change request list

IT Support: Webmaster

	Task
1	Develop and maintain project internet and intranet sites
2	Monitor web site performance
3	Maintain appropriate web site security